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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

26 August 1980 NFAC 5933-80

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

VIA:

Deputy Director for National Foreign Assessment

-National Intelligence Officer for Warning

FROM:

Acting National Intelligence Officer for Western Europe

SUBJECT:

Monthly Warning Assessment: Western Europe

WESTERN EUROPE - POLAND

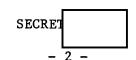
1. In Western Europe, popular support for the Polish strikers will likely persist until the crisis is resolved, but governments will avoid any actions that could encourage the Soviets to intervene directly in Poland: they fear the constraints that sharp new East-West tension on the Continent would carry with it and they would be reluctant to abandon their hopes for gradual political liberalization in Eastern Europe. Should the Soviets take direct action, we would expect strong West European political protests and proposals to postpone the CSCE review scheduled to begin this November in Madrid, but we would also expect efforts to preserve arms control negotiations and most economic relationships with the Soviet Union.

WESTERN EUROPE - US

2. Although few political leaders have commented on the recent US announcement of Presidential Directive 59, working level officials have supported the US position. They were well briefed and generally view the policy as compatible with European security postures and as enhancing the credibility of the US nuclear deterrent. At the same time, some West Europeans -- partly in a reflection of the US debate on nuclear policy -will likely view this US position as fresh evidence of a widespread new "militarism" in the US about which they are uneasy and which may fuel their

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doubts about following the US lead in relations with the Soviet Union and on East-West issues generally. Some may also believe the flexibility reflected in PD 59 casts doubt on the US will to defend Western Europe against all levels of aggression.

FRANCE - FOREIGN POLICY

3. We look for continuing close foreign policy consultation between France and West Germany — especially on security matters — despite France's interest in presenting itself as the leading "partner" in the relationship. We also expect France to remain a committed advocate of a strong Western military posture, despite Giscard's constant reiteration of his country's independent foreign policies, which he will emphasize as part of his campaign for next spring's presidential elections in France.

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SOUTHERN EUROPE - LIBYA

5. We believe that Libya's considerable activities in Mediterranean Europe bear watching. In Spain, Greece, and possibly Italy as well, socialist parties have received Libyan financial support; in Sicily, large tracts of land have been acquired by the Libyans, who have an inexplicably large presence at their consulate in Palermo; major Italian industrial enterprises are also heavily involved with Libya. More recently, the Libyans have negotiated a purchase of property in the Turkish Cypriot sector of Cyprus that could replace the radio relay station Libya lost in Malta at the end of June. (The Turkish government, however, seems intent on quashing the deal and has prevailed on the Turkish Cypriots to reconsider.) Although Malta resisted Libyan pressure for a military base on that island, other Mediterranean governments may be more susceptible to Libyan leverage as a supplier of both funds and fuel. resistance to Libyan attacks against exiles who oppose the present 25X1 regime. Wider Libyan access to Mediterranean European facilities, and a freer rein there for Libyan activities of all sorts, could prove unexpectedly disruptive.

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